

m1 DEPARTMENT OF REVENUE

Sourcing of Sales


Applying State and Local Taxes

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Minnesota Business Tax Education September 2023

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About the Webinar



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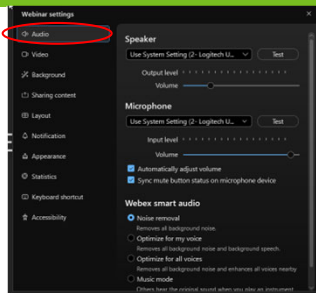
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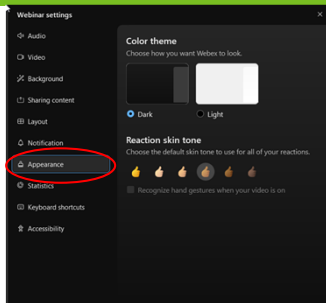
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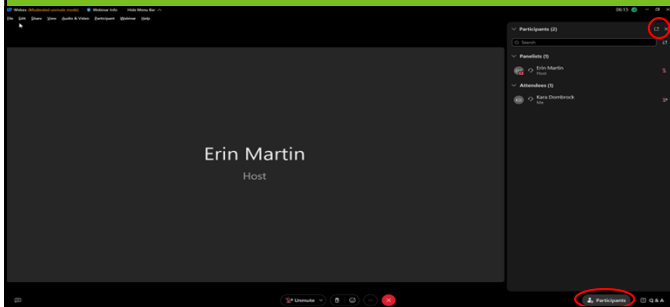
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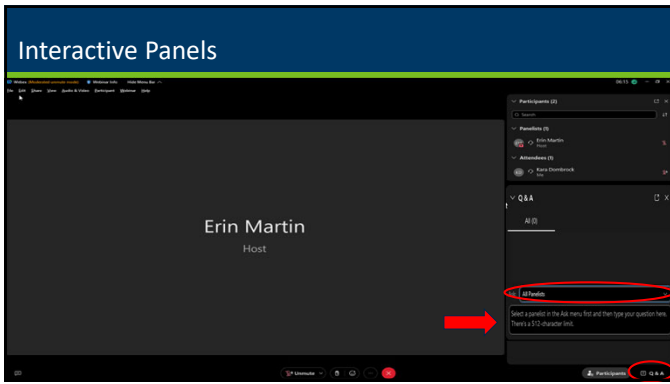
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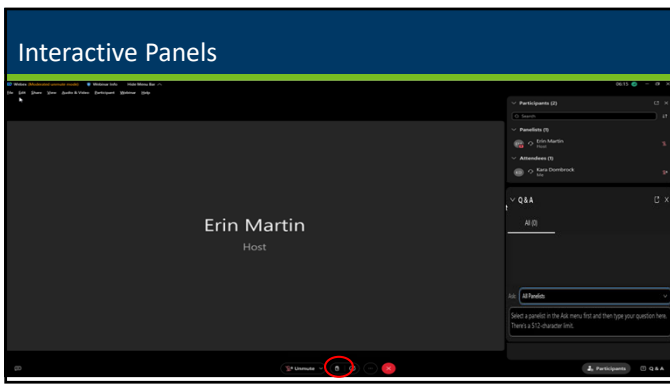
Interactive Panels



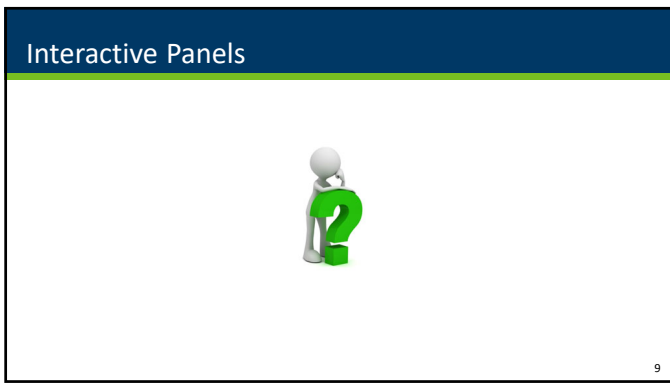
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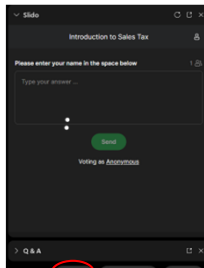


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Interactive Panels



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Disclaimer

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This presentation is based on the facts and circumstances being discussed, and on the laws in effect when it is presented. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or revenue notices.

If you have any questions, contact us at salesuse.edu@state.mn.us, 651-296-6181, or 1-800-657-3777 (toll-free).



Minnesota Business Tax Education Program
Providing education opportunities about Minnesota tax laws.

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Course Objectives

After completing this course, you will be able to:

- Determine what taxes apply to sales
- Explain who must register for, collect, and remit local taxes
- Identify the documentation necessary for sales and use tax records and returns
- Identify what local taxing jurisdictions are implementing new local sales and use taxes
- Register for a local tax using e-Services
- List several resources that answer your sales and use tax questions

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Which taxes apply to the sale?

Part 1

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General Sourcing Rules #1 - 3

Sourcing determines where the sale takes place and which taxes are imposed on the sale.

1. Seller's Address

2. Delivery Address

3. Billing Address

See M.S. 297A.668, Subd. 2 for details

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General Sourcing Rules #4 - 6

Sourcing determines where the sale takes place and which taxes are imposed on the sale.

4. Address from Business Records

5. Address from Payment Instrument

6. Seller's Address

See M.S. 297A.668, Subd. 2 for details

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Sourced to Seller's Address



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Sample Invoice #1

Lakeville Hardware 420 N. Pokegama Ave. Lakeville, MN 55044-8339		Invoice #6543	
Date: 5/1/2023		Ship To: Pick-up	
Bill To: Ben Weatherstaff			
Description	Amount	Tax	
4-Step Fertilizer Program	\$ 150.00	T	
Fertilizer Spreader	50.00	T	
Subtotal	200.00		
Delivery	N/A		
Sales Tax (6.875% MN and 0.25% Dakota Co. Transit)	16.75		
TOTAL: \$ 216.75			

- This example shows an invoice for purchase of a fertilizer spreader and fertilizer program picked up by the customer.
- The sale is sourced to the store's address in Lakeville where the customer picked up their items.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #2

Detroit Lakes Public Library 1000 Washington Ave. Detroit Lakes, MN 56501		Invoice #1122	
Date: 9/4/2023		Ship To: Same	
Bill To: John Smith 913 Lake Ave Detroit Lakes, MN 56501			
Description	Amount	Tax	
Meeting room rental	\$ 150.00	N	
Projector rental	50.00	T	
Tables (50)	50.00	T	
Chairs (100)	100.00	T	
Subtotal	350.00		
Delivery	N/A		
Sales Tax (6.875% MN and 0.5% Becker County)	14.75		
TOTAL: \$ 364.75			

- This example shows an invoice for meeting room rental and equipment rental at a public library.
- The sale is sourced to the address where the equipment was received.

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Sourced to Delivery Address



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Sample Invoice #3

Trusty Cleaners 221 E. Clark St. Freeborn, MN 56032		Invoice #911	
Date: 9/1/2023			
Bill To:	Miranda Justice & Associates	Ship to:	Same
	411 South Broadway		
	Albert Lea, MN 56007-4505		
Description	Amount	Tax	
Weekly cleaning for the period 10/1/23 - 12/31/23 (13 weeks)	\$ 1,950.00	T	
Subtotal	1,950.00		
Delivery	-		
Sales Tax (6.875% MN, 0.3% Freeborn Co. Transit, and 0.5% Albert Lea)	153.56		
TOTAL: \$ 2,103.56			

- This example shows an invoice for cleaning services at a law office.
- The sale is sourced to the job site where the cleaning takes place in Albert Lea.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #4

Greene Lawn Care 1005 High Ave. NE Willmar, MN 56201-6849		Invoice #7654	
Date: 6/1/2023			
Bill To:	Mary Lennox	Job Site:	Same
	1009 West Lincoln Ave.		
	Olivia, MN 56277-1250		
Description	Amount	Tax	
Lawn mowing	\$ 75.00	T	
Fertilizer application	100.00	T	
Subtotal	175.00		
Delivery	N/A		
Sales Tax (6.875% MN and 0.5% Renville County)	12.91		
TOTAL: \$ 187.91			

- This example shows an invoice for lawn care at the customer's home.
- The sale is sourced to the job site where the lawn care took place in Olivia.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #5

White's Cleaners		Invoice #76543	
400 2nd St. S St. Cloud, MN 56301-3622			
Date: 6/15/2023			
Bill To: Edward Lewis	Ship to: Same		
19 13th Ave N. Waite Park, MN 56387-1066			
Description	Amount	Tax	
5 dress shirts laundered and pressed, light starch (5 @ \$5.00)	\$ 25.00	T	
Two-piece suit dry cleaned	22.00	T	
Subtotal	47.00		
Delivery	5.00	T	
Sales Tax (6.875% MN, 0.25% Stearns Co. Transit, 0.2% St. Cloud Area, and 0.2% Waite Park)	4.23		
TOTAL:	\$ 56.23		

- This example shows an invoice for laundered and dry cleaned items delivered to the customer's house.
- The sale is sourced to where the customer receives, or takes possession of, the serviced items.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #6

Good Eats Deli		Invoice #2233	
411 W 1st Street Duluth, MN 55802-1102			
Date: 06/15/2023			
Bill To: Accurate Accounting	Ship To: Same		
100 Plonk Drive Proctor, MN 55810-1705			
Description	Amount	Tax	
Catered box lunches 25@ \$11.95	\$ 298.75	T	
Delivery	25.00	T	
Minnesota General Sales Tax (6.875%)	22.26		
St. Louis Co. Transit Tax (0.5%)	1.62		
Proctor Sales Tax (1.00%)	3.24		
Proctor Food and Beverage Tax (1.00%)	3.24		
TOTAL:	\$ 354.10		

- This example shows an invoice for box lunches ordered from a deli in Duluth.
- The sale is sourced to the delivery address in Proctor.
- Prepared food is subject to the Proctor Food & Beverage Tax.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #7

ABC Lumber		Invoice #4444	
1525 S. Cedar Ave. Owatonna, MN 55060-3955			
Date: 7/26/2023			
Bill To: Jack of All Trades Construction	Ship To: Lily Woodhouse		
540 West Hills Circle Owatonna, MN 55060-4701		408 2nd Avenue SE Medford, MN 55049-9515	
Description	Amount	Tax	
Composite decking	\$ 2,000.00	T	
Deck screws	50.00	T	
Subtotal	2,050.00		
Delivery	50.00	T	
Sales Tax (6.875% MN, 0.5% Steele Co. Transit, and 0.5% Medford)	165.38		
TOTAL:	\$ 2,265.38		

- This example shows an invoice for lumber delivered to the customer's job site.
- The sale is sourced to the delivery address, which is the job site.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #11

Princeton Public Utilities		Invoice #789		
705 N 2nd St.				
Princeton, MN 55371				
Date: 12/01/2022	Service Address:	Charging Station #2		
Bill To: C. Electra		705 N 2nd St.		
		Princeton, MN 55371		
Description	Qty	Price	Total	Tax
EV Charging Station - Connection Fees for November 2022	1.00	5.00	\$ 5.00	T
EV Charging - DC Fast Charger (minutes)	20.00	1.50	\$ 30.00	T
Subtotal			35.00	
Sales Tax (6.875% MN and Mille Lacs County Transit 0.5%)			included in sales price	
			TOTAL: \$ 35.00	

- This example shows an invoice for electricity sold to a customer charging their electric vehicle.
- The sale is sourced to the address where the customer charges their car.
- The city needs to remit all applicable state and local taxes.

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Sourced to Billing Address



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Sample Invoice #12

Business Solutions Software Co.		Invoice #65432	
1315 10th St.			
Sacramento, CA 95814			
Date: 8/30/23	Ship To: Downloaded		
Bill To: Billy Beane Enterprises			
122 6th St. NE			
Staples, MN 56479-2900			
Description	Amount	Tax	
Accounting Software Package - 5 users	\$ 4,000.00	T	
Subtotal		4,000.00	
Delivery		N/A	
Sales Tax (6.875% MN + 0.5% Todd Co. Transit + 0.5% Staples)		315.00	
		TOTAL: \$4,315.00	

- This example shows an invoice for the purchase of software downloaded by a customer.
- The sale is sourced to the customer's billing address in Staples.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #13

Lakes Monitoring Services 4638 Main Street Pequot Lakes, MN 56472		Invoice #1020
Date: 7/15/2023		
Bill To: Porter Webb	Service Address: Same	
205 Minnesota Ave W. Walker, MN 56484-2189		
Description	Amount	Tax
Residential monitoring services Period: August 1-31, 2023	\$ 100.00	T
Subtotal	100.00	
Sales Tax (6.875% MN, 0.5% Cass Co. Transit, and 1.5% Walker)	8.88	
TOTAL: \$ 108.88		

- This example shows an invoice for electronic monitoring of a customer's residence.
- The sale is sourced to the customer's address in Walker.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #14

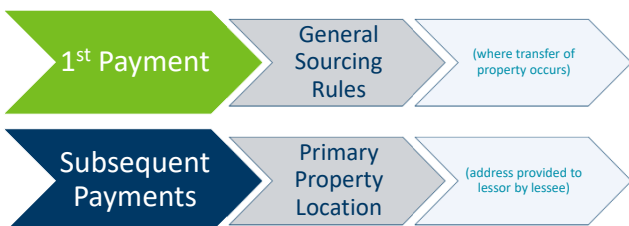
Enola Holmes, P.I. 15 Ash St. NE New London, MN 56273		Invoice #9254
Date: 7/15/2023		
Bill To: Candace Richards	Ship To: Sent via email	
221 Washburne Ave Raynesville, MN 56362		
Description	Amount	Tax
Investigative Services 9 hours @ \$150.00/hour	\$ 1,350.00	T
Photographs	25.00	T
Mileage 259 @ \$0.655/mile	169.65	T
Subtotal	1,544.65	
Sales Tax (6.875% MN, 0.5% Kandiyohi Co. Transit, and 0.5% New London)	110.06	
TOTAL: \$ 1,654.70		

- This example shows an invoice for investigative work with itemized expenses.
- The sale is sourced to the billing address since the client received the information by email.
- The seller needs to charge the customer all applicable state and local taxes.

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Sourcing Rules for Leases or Rentals of Tangible Personal Property (TPP)



See M.S. 297A.668, Subd. 3 for details

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Sample Invoice #15

Business Solutions Co.		Invoice #: 12345-1
658 Cedar St. St. Paul, MN 55155		Date: 8/1/2023
Bill to: Widget Manufacturing 300 South 6th St. Minneapolis, MN 55102	Ship To: Picked-up	
Item Description	Qty.	Price
Commercial Copy Machine S/N:987654321CCM	1	250.00 T
Monthly lease 1 of 60 (August 1-30, 2023)		
	Subtotal:	\$ 250.00
	Minnesota Sales Tax:	17.19
	Ramsey County Transit Sales Tax:	1.25
	St. Paul Sales Tax:	1.25
	Invoice Total:	\$ 269.69

- This example shows an invoice for the lease of a copy machine.
- The first payment of the lease is sourced to the address where the customer first receives the copier.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #16

Business Solutions Co.		Invoice #: 12345-2
658 Cedar St. St. Paul, MN 55155		Date: 9/1/2023
Bill to: Widget Manufacturing 300 South 6th St. Minneapolis, MN 55102	Ship To: Same	
Item Description	Qty.	Price
Commercial Copy Machine S/N:987654321CCM	1	250.00 T
Monthly lease 2 of 60 (September 1-30, 2023)		
	Subtotal:	\$ 250.00
	Minnesota Sales Tax:	17.19
	Hennepin County Transit Sales Tax:	1.25
	Hennepin County Sales Tax:	0.38
	Minneapolis Sales Tax:	1.25
	Invoice Total:	\$ 270.07

- This example shows an invoice for a subsequent lease payment of the copy machine.
- Subsequent payments of leases are sourced to the primary location of the leased item.
- The seller needs to charge the customer all applicable state and local taxes.

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Sample Invoice #17

Grand Water Softener Sales		Invoice #5432
420 N. Pokegama Ave. Grand Rapids, MN 55744		
Date: 6/1/2023		
Bill To: George Washington 123 NE 4th St. Grand Rapids, MN 55744-2659	Ship To: Same	
Description	Amount	Tax
Water Softener installation	\$ 100.00	T
Water Softener Rental - June 1 thru June 30	25.00	T
Water softener salt - 2 bags	35.00	T
Subtotal	160.00	
Delivery	N/A	
Sales Tax (6.875% MN, 1% Itasca County, and 0.5% Grand Rapids)	13.40	
	TOTAL:	\$ 173.40

- This example shows an invoice for the installation of a rented water softener and the sale of water softener salt.
- The sale is sourced to the address where the softener and salt were delivered.
- The seller needs to charge the customer all applicable state and local taxes.

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Special Sourcing Rules

- Lease or rental of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment (M.S. 297A.668, Subd. 4)
- Transportation equipment (M.S. 297A.668, Subd. 5)
- Multiple points of use (M.S. 297A.668, Subd. 6a)
- Advertising and promotional direct mail (M.S. 297A.668, Subd. 7)
- Other direct mail (M.S. 297A.668, Subd. 7a)
- Manufactured and modular housing (M.S. 297A.668, Subd. 8)
- Florist sales (M.S. 297A.668, Subd. 9)
- Telecommunications and related services (M.S. 297A.669)

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Sales of Transportation Equipment



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Lease or rental of motor vehicles, trailers, semitrailers, or aircraft



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Multiple Points of Use Sourcing



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Sourcing of Advertising and Promotional Direct Mail



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Sourcing of Other Direct Mail



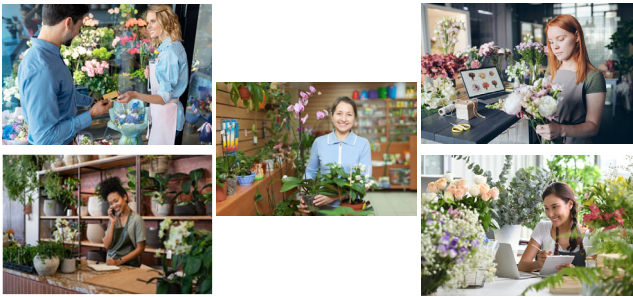
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Sourcing of Manufactured and Modular Housing



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Sourcing of Florist Sales



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Sourcing of Telecommunications and Related Services



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Local Taxes

Local taxes are added to the state general sales tax rate to compute the total tax rate.

- City tax
- County tax
- Special local tax(es)
- Motor vehicle \$20 excise tax



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New City Sales and Use Taxes

Local Tax	Rate	Effective Date
Edina Sales and Use Tax	0.500%	April 1, 2023
Fergus Falls Sales and Use Tax	0.500%	October 1, 2023
Grand Rapids Sales and Use Tax	0.500%	April 1, 2023
Litchfield Sales and Use Tax	0.500%	July 1, 2023
Maple Grove Sales and Use Tax	0.500%	April 1, 2023
Moorhead Sales and Use Tax	0.500%	April 1, 2023
Oakdale Sales and Use Tax	0.500%	April 1, 2023
Staples Sales and Use Tax	0.500%	April 1, 2023
Waite Park Sales and Use Tax	0.500%	April 1, 2023
Warren Sales and Use Tax	0.500%	April 1, 2023

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New County Sales and Use Taxes

Local Tax	Rate	Effective Date
Renville County Transit Sales and Use Tax	0.500%	January 1, 2023
Carlton County Sales and Use Tax	0.500%	April 1, 2023
Itasca County Sales and Use Tax	1.000%	April 1, 2023
Metro Area Sales and Use Tax for Housing*	0.250%	October 1, 2023
Metro Area Transportation Sales and Use Tax*	0.750%	October 1, 2023

* The new Metro Area taxes apply to the 7-county Twin Cities metro area, which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.

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New Special Local Taxes

Local Tax	Rate	Effective Date
Woodbury Lodging Tax	3.000%	April 1, 2023

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City Taxes with an Increased Tax Rate

Local Tax	Old Rate	New Rate	Effective Date
Cloquet Sales and Use Tax	0.500%	1.000%	April 1, 2023
Hermantown Sales and Use Tax	1.000%	1.500%	April 1, 2023

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Local Taxes Ended

Local Tax	Rate	Effective Date
Detroit Lakes Sales and Use Tax	0.500%	June 30, 2023

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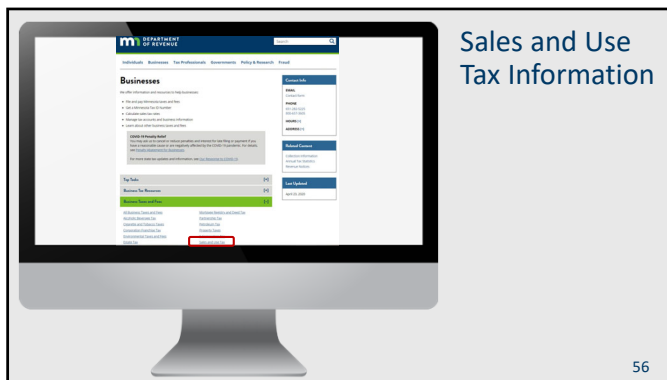
Tools to Find Tax Rates

We offer a variety of tools including:

- Sales Tax Rate Calculator
- Sales Tax Rate Map
- Sales Tax API (Application Program Interface)
- Sales Tax Rate Spreadsheet
- Local Sales Tax Rate Guide
- Twin Cities Area Local Tax Rate Guide

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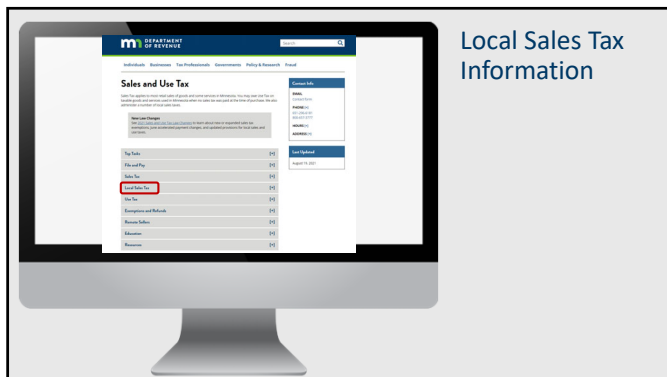
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Sales and Use Tax Information

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Local Sales Tax Information

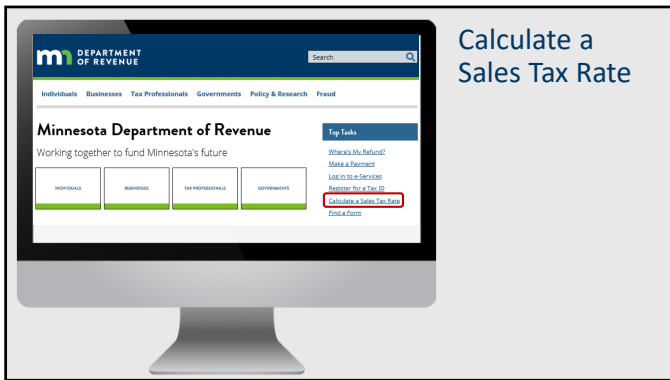
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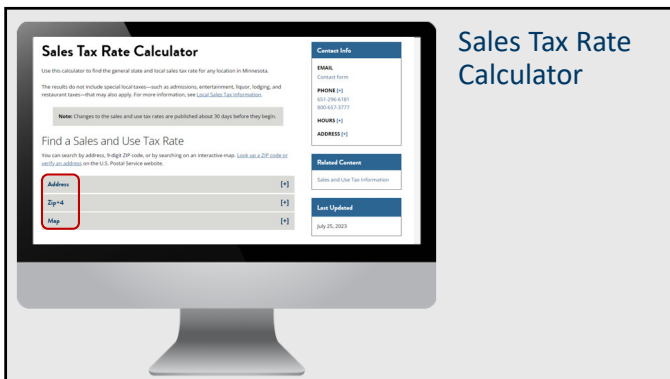
Local Sales Tax Information and Notices

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Calculate a Sales Tax Rate

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Sales Tax Rate Calculator

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ZIP + 4 Option

- Results: The Sales Tax Rate for 55101-2228 is **7.875%** (Jul-Sep 2023).
- MN State = 6.875%; Ramsey County Transit = 0.500%; St. Paul = 0.500%.
- The Tax on \$2500 is **\$196.88**.

Zip+4

Enter a nine-digit ZIP code.

ZIP CODE*

55101 2228

EFFECTIVE PERIOD

Jul-Sep 2023

DOLLAR AMOUNT

2500

Submit

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Address Option

- Results: The Sales Tax rate for 600 N Robert St, St. Paul 55101-2228 is **7.875%** (Jul-Sep 2023).
- MN State = 6.875%; Ramsey County Transit = 0.500%; St. Paul = 0.500%.
- The Tax on \$2500 is **\$196.88**.

Address

Enter an address.

ADDRESS*

600 N Robert St

ADDRESS 2

City/State/Other

CITY*

St. Paul

STATE: MN

EFFECTIVE PERIOD

Jul-Sep 2023

DOLLAR AMOUNT

2500

Submit

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Find a Sales and Use Tax Rate

You can search by address, 9-digit ZIP code, or by searching on an interactive map. [Look verify an address](#) on the U.S. Postal Service website.

Address [+]

Zip+4 [+]

Map [-]

Select the sales tax location on [the Sales Tax Rate Map](#).

Map Option

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Map Option

- Address Search
600 Robert St N,
St. Paul 55101-2228
- Results
State Tax: 6.875%
County Tax: 0.5% Ramsey
County Transit
City Tax: 0.5% St. Paul City
Other Tax: None
Total Sales Tax Rate: 7.875%
(Jul-Sep 2023)

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Sales Tax API (Application Program Interface)

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Who needs to register?

Part 2

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Who Needs to Register?

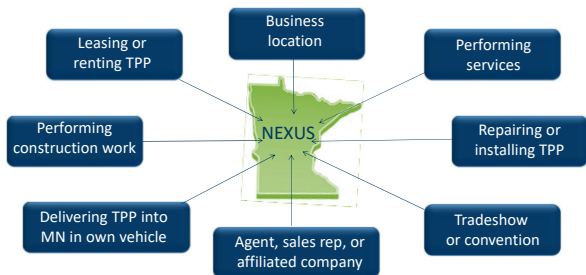
You must register in Minnesota if you:

- Make taxable sales into Minnesota
- Have a physical presence in Minnesota
- Remote sellers who exceed the Small Seller Exception
- Make purchases subject to use tax



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What Activities Create A Physical Presence?



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Remote Sellers

A **remote seller** is any business that sells products in a state without having a physical presence in that state.

Examples:

- Internet Sellers
- Mail order/catalog companies
- Sales over the telephone

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Who is a Marketplace Provider?

A **Marketplace Provider** is any person, other than the seller, who facilitates a retail sale by:

- Listing or advertising the seller's products; and
- Processing the payments from the customer, either directly or indirectly through a third party

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Sales Through Marketplace Providers

You only sell through a Marketplace

- If the Marketplace collects on your behalf, you do not need to register.
- If the Marketplace does not collect sales tax on your behalf, you must register and collect the tax unless you meet the Small Seller Exception.

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Sales Through Marketplace Providers

You sell through a Marketplace, your own website, and through other sources

- If all retail sales into Minnesota combined exceed the Small Seller Exception, you must collect and remit tax for all sales not reported by the Marketplace.

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How do I register for Sales and Use Tax?

Part 3

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Minnesota Tax ID Number

- Minnesota Department of Revenue's Business Center
 - Register online
 - Register by phone
 - Mail a completed paper registration form
- Streamlined Sales Tax Registration System (SSTRS)



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Registering for Local Taxes

- Automatic registration for those with ZIP Codes in the local taxing jurisdiction
- Online through e-Services
- Phone

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Sales & Use Tax Return

- Add a tax line

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Recordkeeping

Part 4

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Recordkeeping

Keep good records that detail the amount of state and local tax you owe:

- Bills, receipts, invoices, cash register tapes
- Exemption certificates
- Shipping documents
- Worksheets used to prepare your tax returns

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Sales Tax Documentation

It's critical that you have documentation supporting:

- Date of the sale
- Description of the transaction (item or service sold)
- Sales price
- Sourcing of the sale
- Taxes collected

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Transition Sales

We have rules for transition sales involving:

- Lease payments for tangible personal property
- Tangible personal property
- Taxable services
- Admission tickets
- Purchases of construction materials used to complete a lump sum or fixed price construction contract

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Leases of TPP Sourced to a Location with a New Tax Rate

- New local taxes only apply to lease payments for periods that begin on or after the effective date of the tax.
- The tax does not apply to lease payments for tangible personal property and motor vehicles that include periods before the effective date.

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Sales of TPP Sourced to a Location with a New Tax Rate

New local taxes only apply to sales of tangible personal property ordered before the effective date if transfer of title **or** possession of the item passes to the purchaser on or after the effective date of the tax.

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Sample Invoice #18

Furniture Superstore		Invoice #: 12345
123 University Ave St. Paul, MN 55101		Date: 3/30/2023
Bill to: Sophia Chase	Ship To: Same	
12800 Arbor Lakes Parkway N. Maple Grove, MN 55369-7064		
Item Description	Qty.	Price
Right Sectional Couch	1	950.00 T
SKU #LV123456; Ivory linen fabric		
Delivery scheduled for April 3, 2023 9-11 a.m.		
	Subtotal:	\$ 950.00
	Delivery:	\$ 50.00 T
Sales Tax		80.25
MN 6.875% + Hennepin Co. Transit 0.5% + Hennepin Co. 0.15% + Maple Grove 0.5%		
	Invoice Total:	\$1,030.25

- This example shows an invoice for a sectional delivered to a customer's home.
- The sale is sourced to the delivery address.
- The seller must charge all applicable taxes effective on the date they deliver the furniture to the customer.

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Services Sourced to a Location with a New Tax Rate

- New local taxes only apply to sales billed for services provided during periods that begin on or after the effective date of the tax.
- The tax does not apply to taxable services, or utility services, that include periods before the effective date.

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Sample Invoice #19

XYZ Energy		Invoice #5678
7501 Ikola Way		
Edina, MN 55439-2554		
Date: 3/15/2023		
Bill To: Unique Boutique	Ship To: Same	
4801 W. 50th St.		
Edina, MN 55424-1330		
Description	Amount	Tax
Commercial Electric (March 15-April 15, 2023)	\$ 150.00	T
Commercial Water (March 15-April 15, 2023)	75.00	T
Commercial Gas (March 15-April 15, 2023)	100.00	T
Subtotal	325.00	
Delivery	N/A	
Sales Tax (6.875% MN, 0.5% Hennepin Co. Transit, and 0.15% Hennepin Co.)	24.46	
TOTAL: \$ 349.46		

- This example shows an invoice for utilities used by Unique Boutique in Edina.
- The sale is sourced to where the location that the utilities are received.
- The Minnesota and Hennepin County taxes applied to these charges but the Edina tax was not assessed due to the transition rules.

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Sample Invoice #20

Municipal Parking Services		Invoice #56789
126 N. Marshall Ave.		
Litchfield, MN 55355		
Date: 6/15/2023		
Bill To: Kimberly Parks	Parking: 216 N. Marshall Ave.	
421 W. 3rd St.		Location: Litchfield, MN 55355
Litchfield, MN 55355		
Description	Amount	Tax
Monthly Parking Permit (June 15-July 15, 2023)	\$ 100.00	T
<small>Reminder: Effective the next billing cycle, you will be charged the 0.5% Litchfield tax for your monthly parking.</small>		
Subtotal	100.00	
Delivery	N/A	
Sales Tax (6.875% MN)	6.88	
TOTAL: \$ 106.88		

- This example shows an invoice for monthly pre-paid parking in Litchfield.
- The sale is sourced to where the parking location.
- The Minnesota tax applied to these charges, but the Litchfield tax was not assessed due to the transition rules.

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Admission Sourced to a Location with a New Tax Rate

- The new tax applies to sales of admission on or after the effective date.
- Ticket sales are taxed based on the date purchased, not the date of the event.

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Sample Invoice #21

Carlton Civic Theater 1307 Cloquet Avenue Cloquet, MN 55720-1666 Date: 3/15/2023		Invoice #5678
Bill To: Richard Rogers 101 14th St. Cloquet, MN 55720-1657	Ship To: Will Call	
Description	Amount	Tax
4 Tickets to <i>Okalahoma!</i> April 29, 2023 2:00 p.m. Matinee	\$ 140.00	T
Subtotal	140.00	
Delivery	N/A	
Sales Tax (6.875% MN, 0.5% Carlton Co. Transit, and 0.5% Cloquet)	11.03	
TOTAL: \$ 151.03		

- This example shows an invoice for admission to a play at a civic theater.
- The sale is sourced to the location of the theater.
- Sales of admissions are taxed based on the date of sale, not the date of the event.
- The seller needs to charge the customer all applicable state and local taxes.

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Construction Contracts with a New Tax Rate at the Job Site

The new tax does not apply to purchases of construction materials used to complete a fixed price contract **if** all the following are true:

- The contract does not provide for an allocation of future taxes.
- The materials are used exclusively in performing the contract.
- The materials are delivered within six months of the effective date.

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Resources to Answer Your Questions

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Are you looking for additional resources?



Visit our website at revenue.state.mn.us

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Sales and Use Tax Contact Information

- Sales taxability questions
Email: salesuse.tech@state.mn.us
- Sales and Use Tax account questions
Email: salesuse.tax@state.mn.us
- Telephone assistance
Phone: 651-296-6181 or 1-800-657-3777 (toll free)

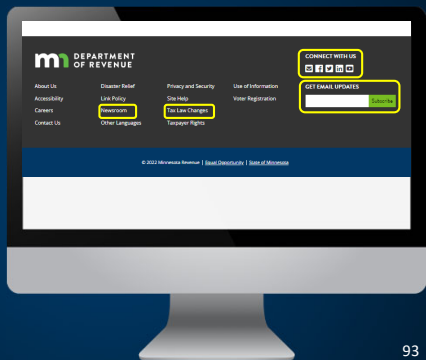


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Stay Informed

- Newsroom
- Tax Law Changes
- Social Networks
- Email Updates



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Email Updates with GovDelivery



- Choose the updates you want, by tax and publication type
- Choose notification frequency
- Sign in directly or use the Facebook or Google links



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Minnesota Revenue Social Media Accounts

Keep up with the latest news from the Minnesota Department of Revenue on:



twitter.com/MNrevenue



facebook.com/MNrevenue



linkedin.com/company/MNrevenue

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Course Review

During this course, we discussed...

- What taxes apply to the transaction based on where the sale is sourced
- Who must register for, collect, and remit state and local taxes
- The documentation necessary for sales and use tax records
- New and recent changes to local sales and use taxes
- How to register for a local tax using e-Services
- Resources that answer sales and use tax questions

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Thank you!

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